



# PRESS RELEASE

## Internal Revenue Service - Criminal Investigation Cincinnati Field Office *Special Agent in Charge Kathy A. Enstrom*

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### **LOCAL WOMAN TIED TO \$1.1 MILLION INCOME TAX REFUND SCAM SENTENCED**

*Six related co-conspirators have been sentenced and two related co-conspirators are awaiting sentencing*

COLUMBUS – Erica A. Ballantine, 45, of Columbus, Ohio was sentenced to twelve months and one day in prison, three years of supervised release, and was ordered to pay \$641,277 in restitution to the Internal Revenue Service (IRS), jointly and severally with the co-conspirators in this case, for conspiring to submit false claims for federal income tax refunds with IRS. Ballantine previously pleaded guilty to this charge on May 1, 2014.

Carter M. Stewart, United States Attorney for the Southern District of Ohio and Kathy A. Enstrom, Special Agent in Charge, Internal Revenue Service Criminal Investigation, Cincinnati Field Office, announced the sentence handed down today by Senior U.S. District Judge George C. Smith.

According to court documents, between May 2009 and August 2010, Ballantine carried out a scheme to submit false claims for income tax refunds with the IRS along with her co-conspirators.

The scheme involved electronically filing false federal individual income tax returns with the IRS for the 2008 and 2009 income tax years. Each of the false income tax returns was filed with a false Form W-2 in which the wages and income tax withholdings were false. The individuals listed on the false Forms W-2 either never worked for the purported employers or their wages and withholdings were grossly inflated. The false Forms W-2 qualified the individuals listed on the false income tax returns for income tax refunds for which they were not entitled to receive.

Each of the co-conspirators actively recruited individuals from the public to willingly provide their personal identifying information for use in the scheme. Successfully paid false claims for income tax refunds were split among the individuals who provided their personal identifying information, the co-conspirators who recruited those individuals, and the co-conspirators who submitted the false claims for income tax refunds.

Ballantine electronically submitted approximately 290 false claims for income tax refunds with the IRS claiming a total of \$1,135,999 in false income tax refunds. Ballantine requested that the false income tax refunds be paid into bank accounts she controlled.

The co-conspirators:

Kimberly R. Wallace, 52, of Dennison, Ohio was sentenced on September 24, 2014 to 30 days in jail, two years of supervised release, which included six months of home detention, and was ordered to pay \$119,919 in restitution to the IRS, jointly and severally with Erica Ballantine. Wallace pleaded guilty on May 23, 2014 to conspiracy to submit false claims for federal income tax refunds with IRS.

Javon C. Brown, 45, of Columbus, Ohio was sentenced on October 22, 2014 to three years of probation, which included one month of home detention, and was ordered to pay \$50,451 in restitution to the IRS, jointly and severally with Erica Ballantine. Brown pleaded guilty on June 18, 2014 to conspiracy to submit false claims for federal income tax refunds with IRS.

Nikkia D. Jackson, 37, of Columbus, Ohio pleaded guilty on August 11, 2014 to conspiracy to submit false claims for federal income tax refunds with IRS. Jackson is scheduled to be sentenced on February 4, 2015.

Kenneth L. McDonald, 26, of Reynoldsburg, Ohio pleaded guilty on August 14, 2014 to conspiracy to submit false claims for federal income tax refunds with IRS. McDonald is scheduled to be sentenced on February 4, 2015.

Tyrone J. Palmer, 35, of Columbus, Ohio was sentenced on December 3, 2014 to 45 days in prison, three years of supervised release, and was ordered to pay \$39,013 in restitution to the IRS, jointly and severally with Erica Ballantine and Kimberly Wallace. Palmer pleaded guilty on July 1, 2014 to conspiracy to submit false claims for federal income tax refunds with IRS.

Debra L. Taylor, 60, of Columbus, Ohio was sentenced on December 15, 2014 to three years of probation and was ordered to pay \$30,157 in restitution to the IRS, jointly and severally with Erica Ballantine and Kimberly Wallace. Taylor pleaded guilty on June 26, 2014 to conspiracy to submit false claims for federal income tax refunds with IRS.

Keyland D. Whitby, 26, of Columbus, Ohio was sentenced on October 29, 2014 to six months in prison, three years of supervised release, and was ordered to pay \$61,645 in restitution to the IRS, jointly and severally with Erica Ballantine, Kimberly Wallace, and Kenneth McDonald. Whitby pleaded guilty on June 26, 2014 to conspiracy to submit false claims for federal income tax refunds with IRS.

Tyrone L. Woody, 28, of Columbus, Ohio was sentenced on October 15, 2014 to eight months in prison, three years of supervised release, and was ordered to pay \$59,003 in restitution to the IRS, jointly and severally with Erica Ballantine. Woody pleaded guilty on May 23, 2014 to conspiracy to submit false claims for federal income tax refunds with IRS.

"This investigation uncovered a fraudulent scheme that attempted to generate millions of dollars," said Kathy A. Enstrom, Special Agent in Charge, IRS Criminal Investigation, Cincinnati Field Office. "As we approach tax filing season, those who try to steal the taxpayers' money should know that there are severe consequences, including incarceration and having to pay back all the stolen refund money."

This case was prosecuted by Assistant United States Attorney Daniel Brown and was investigated by special agents of IRS-Criminal Investigation.

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